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RUEHAK/AMEMBASSY ANKARA PRIORITY 3702  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1520  
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0117  
RUEHKO/AMEMBASSY TOKYO PRIORITY 1387  
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1956  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RHMFISS/CDR USCENCOM MACDILL AFB FL PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
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C O N F I D E N T I A L ASHGABAT 000537

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STATE FOR SCA/CEN, EEB  
PLEASE PASS TO USTDA DAN STEIN  
ENERGY FOR EKIMOFF/THOMPSON  
COMMERCE FOR HUEPER

E.O. 12958: DECL: 04/29/2018  
TAGS: [PREL](#) [ENRG](#) [EPET](#) [TX](#)  
SUBJECT: TURKMENISTAN: BP INTERESTED IN OPENING AN OFFICE,  
WORKING OFF-SHORE BLOCKS

Classified By: Charge d'Affaires Sylvia Reed Curran for reasons 1.4(B)  
and (D).

¶1. (C) BP President for Business Development in Russia and Central Asia John-Paul Stalder told the Charge April 28 that BP is moving forward with plans to open an office in Ashgabat. The registration process will take 3-6 months, and BP foresees that the toughest problem will be finding appropriate office space for the activities that BP wants to carry out -- both technical and public affairs work. BP has not yet decided definitively who will run the office, and Stalder suggested that he, in fact, might be moving to Ashgabat. Commenting on his experience with registration to date, Stalder said merely, "Ashgabat needs to increase its capacity if it is to support an international business presence." Given the shortage of English-language speakers in Turkmenistan, BP is looking at the possibility of mobilizing Russian speakers -- including some Turkmen already working in the company's Houston office -- to help with operations in Turkmenistan until a core cadre of Turkmen can be brought up to speed.

¶2. (C) Stalder reported that during the April 17-18 "Oil and Gas in Turkmenistan" conference in London, Government of Turkmenistan officials continued to leave the door open on the possibility that they might eventually relax the ban on foreign companies working on-shore. He suggested that reversal of the current policy is just a matter of time. However, unlike other major foreign oil firms, BP has no wish to become involved on-shore. Instead, it wants to work in Turkmenistan's off-shore Caspian blocks, since this is BP's "specialty." Stalder was unwilling to identify which blocks BP is looking at, but stated that "we've been asked to look at a range of blocks, including on opposite ends of the territory." Some of those blocks, he added, were in waters with disputed borders, and BP is reluctant to become involved

in such areas until the borders have been resolved. In any case, however, Stalder suggested that BP's timeline for possible production is long-term, given the slow pace at which Turkmenistan's bureaucracy grinds, the need to supplement the rudimentary 2-D seismic imaging that the Government of Turkmenistan has for the Caspian blocks with higher-quality 3-D seismic imaging "carried out properly," and the difficulties associated with shipping and assembling equipment needed for deep-water drilling.

13. (C) COMMENT: Stalder's comments that BP has been asked to work specific blocks is intriguing because it does not (to our knowledge) follow the pattern that the Government of Turkmenistan has established in working with other foreign companies. It is possible that the requests came from the Government of Azerbaijan. Either way, however, BP seems to be planning on building on the experience (and, possibly, contacts) it already has accumulated in the Caspian and on avoiding joining the fray for what many other major oil firms have told us they consider to be the real prize -- a deal to work on-shore in the Amu Darya gas fields. END COMMENT.  
CURRAN